



UNITED STATES DEPARTMENT OF COMMERCE
National Oceanic and Atmospheric Administration
Washington, D. C. 20230

OFFICE OF THE ADMINISTRATOR

March 26, 1984

MEMORANDUM FOR J. M. Poindexter
Deputy Assistant to the President
for National Security Affairs

SUBJECT: International Cooperation on the Space
Station Program (C)

As you requested, I am providing comments on the draft report in approaches to international cooperation on the Space Station Program. These are aspects of the recommended strategy that cause me concern. (C)

- The strategy is reactive rather than a statement of what the U.S. wants to accomplish. I believe that we will be more likely to advance our own interests if we agree before the London summit on what we are and are not prepared to offer other countries. (C)
- The contributions of the other countries are identified as additive to the \$8 Billion cost of the shuttle. I thought one of the benefits of international cooperation would be to reduce the burden on the U.S. budget. (C)
- The proposed strategy puts foreign countries in direct competition with U.S. industry. The non-core types of items advanced for the other countries--e.g., a polar platform for earth remote sensing, materials processing and life sciences--are the same opportunities that we all hope the U.S. industry will invest in. Very few U.S. firms are prepared to compete head to head with Japan, Germany and France. (C)
- The government to government operating approach suggested will tend to relegate U.S. industry to the role of supply contractor rather than investor. Government to government agreements, with bilateral bureaucracies to perpetuate them, build the bureaucracy will not leave room for independent investment by U.S. firms. We recommend consideration of U.S. company to foreign company collaborations. Such an approach, in addition to drawing U.S. firms more deeply into the planning process, could also have the desirable effect of reversing the flow of technology. (C)



- ° Decisions on foreign cooperation on the Space Station should be based in part on the likely impact on international trade. To my knowledge, no such analysis is being attempted. (C)
- ° Most U.S. firms with the exception of a few selected aerospace companies are likely to have negative reactions to the draft strategy, indeed to any strategy, if their role is not defined with equal emphasis before the foreign role is defined. For example, committing to allow foreign countries to participate in space station design planning when no such commitment is made to U.S. industry communicates a sense of priority that I am sure is not intended. (C)

To summarize, I think that we must take the interests of U.S. industry into account in formulating our international cooperation strategy. This draft does not take U.S. commercial interests into account. (C)


Anthony J. Calio
Deputy Administrator